



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#24 OCTOBER 4, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Los Angeles County
Board of Supervisors

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Chief Deputy Director

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

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*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles
County residents through direct
services at DHS facilities and
through collaboration with
community and university
partners*



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October 04, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST APPROVAL TO AUTHORIZE THE COUNTY PURCHASING
AGENT TO ISSUE A PURCHASE ORDER IN THE AMOUNT OF \$275,375
TO CONTINUE MISSION-CRITICAL SURGICAL INSTRUMENT
PROCESSING SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to authorize the County Purchasing Agent to issue a sole source purchase order in the amount of \$275,375 with SRI/Surgical-Express, Inc. to provide surgical instrument processing services.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the County Purchasing Agent to issue a Sole Source Purchase Order in the amount of \$275,375 with SRI/Surgical-Express Inc. to continue mission-critical surgical instrument processing services at Harbor-UCLA Medical Center.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Pending the completion of a solicitation process, approval of the recommendation is necessary to enable the Department of Health Services (DHS) to continue uninterrupted surgical instrument processing services to Harbor-UCLA currently obtained through the purchase order process. The purchase order process has specific statutory limitations pertaining to service contracting and the authority to contract for services beyond the specific dollar threshold rests with your Board. These identified mission-critical services have reached or exceeded the established ceiling amount authorized by statute and requires Board approval for the continuation of services.

Board approval will allow DHS to continue to obtain these critical services pending the completion of the solicitation process. Surgical instrument processing services are primarily provided internally by County personnel. However, due to increased demand for surgeries and supplies, and the need to comply with infection control standards mandated by The Joint Commission, Harbor-UCLA staff can only meet 85% of the service needs of the facility. Harbor-UCLA must fill this gap with additional outside resources. No other cost effective options are available at this time.

Pending completion of the new Surgery/Emergency Replacement Project in 2013, Harbor-UCLA Medical Center will continue to require a non-County service provider to meet facility needs. DHS has initiated the solicitation process to identify the lowest cost, most responsive and responsible provider for these services. DHS will return to your Board with a recommended contract award by June 2012 or earlier.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The estimated cost for the period of November 2011 through June 2012 is \$275,375. Funding is included in the Fiscal Year 2011-12 Adopted Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pending completion of a solicitation process, Board authority is required to allow for the continuation of these critical services, since the purchase order authority will have reached its limit. Applicable provisions of the State statute and County Charter give the Purchasing Agent the exclusive authority and responsibility to purchase all furnishings, materials, supplies, fixtures, equipment, and all other personal property required by County departments. Additionally, the County code provides the Purchasing Agent with the authority to engage independent contractors for services up to amounts imposed by law, which is an annual amount of \$100,000 pursuant to Government Code Section 25502.5.

There are occasions where the ongoing service requirements of County departments are covered by the purchase order process for various reasons. In such cases, the Purchasing Agent has assisted departments, including DHS, with obtaining services under their statutory authority. Based on the critical need to maintain these medical services without interruption and the time constraints associated with the solicitation process DHS has utilized the purchase order process to provide for services pending the completion of the solicitation process. However, these identified mission-critical

services have reached or exceeded the established ceiling amount authorized by statute and requires Board approval for the continuation of services.

DHS notified your Board on July 8, 2011 of our request that the Internal Services Department, as the County's Purchasing Agent, issue a sole source purchase order for surgical instrument processing with SRI/Surgical Express Inc. in the amount of \$99,125 to provide services for a three-month period (Attachment) At that time, we advised that we would be returning to your Board no later than October with a recommended contract award or a request to extend these services via the purchase order process pending completion of the solicitation process. Approval of the current recommendation will allow for uninterrupted services, pending the completion of a solicitation process. Utilization of the current provider during this process is the most feasible means of ensuring uninterrupted services until the solicitation is completed.

CONTRACTING PROCESS

N/A.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval will allow the Department to receive uninterrupted mission-critical surgical instrument processing services, pending the completion of a solicitation process.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:smh

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Internal Services Department

July 8, 2011

**Los Angeles County
Board of Supervisors**

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

TO: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM:  Mitchell H. Katz, M.D.
Director 

**SUBJECT: NOTIFICATION OF PURCHASE ORDER REQUEST FOR
INSTRUMENT PROCESSING SERVICES AT HARBOR-
UCLA MEDICAL CENTER**

Mitchell H. Katz, M.D.
Director

John F. Schunhoff, Ph.D.
Chief Deputy Director

This is to inform you that the Department of Health Services (DHS) will request that the Internal Services Department (ISD), as the County's Purchasing Agent, issue a sole source purchase order for surgical instrument processing with SRI/Surgical Express Inc. (SRI) in the amount of \$99,125 to provide services for a three-month period in the new Fiscal Year. DHS previously requested that ISD issue a sole source purchase order for these services with SRI in the amount of \$99,125 on April 6, 2011, to provide these services in the previous Fiscal Year.

Surgical instrument processing services are primarily provided internally by County personnel. However, due to increased demand for surgeries and supplies, and the need to comply with infection control standards mandated by The Joint Commission, Harbor-UCLA staff can only meet 85% of the service needs of the facility. Harbor-UCLA must fill this gap with additional outside resources. No other cost effective options are available at this time.

Pending completion of the new Surgery/Emergency Replacement Project in 2013, Harbor-UCLA Medical Center will continue to require a non-County service provider to meet facility needs. DHS is currently exploring the best contracting options available to the Department and will initiate the chosen solicitation process by the end of July. Depending on the solicitation process identified, DHS will return to your Board no later than October with a recommended contract award or with a request to extend the services via the purchase order process pending the completion of the solicitation process.

If you have any questions or require additional information, please let me know.

MHK:GP:smh

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Director, Internal Services Department

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